

County Budget Estimates
For the 2008-2009 Fiscal Year

Prepared in Accordance with
G.S. 108A-88



Prepared by
Department of Health and Human Service
Division of Social Services
Budget Office

January 16, 2008

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SECTION A

DIVISION OF SOCIAL SERVICES

OVERVIEW:

The following is a list of some of the items in the Division of Social Services estimates to which we draw the county's attention. The narrative itself provides fuller detail on programs and funding availability anticipated.

- **Reauthorization of the Temporary Assistance for Needy Families (TANF) Block Grant:** The Deficit Reduction Act of 2005 (DRA), which was signed into law on February 8, 2006, reauthorized the TANF program until the year 2010 and mandated changes that will affect Work First policy as of October 1, 2006. The U.S. Department of Health and Human Services (HHS) issued interim final rules on June 29, 2006. These interim final rules remain until issuance of the Final Rules. The Division, in collaboration with a county work group, developed policy revisions to bring North Carolina into compliance with the DRA and interim final rules effective October 1, 2006. The required Work Verification Plan was submitted to HHS prior to the due date of October 1, 2006. This Work Verification Plan contained an outline of how North Carolina will implement the changes dictated by the DRA prior to the deadline of October 1, 2007. After four drafts of the North Carolina Work Verification Plan, HHS gave North Carolina official approval of the plan on September 18, 2007. Policy revisions to the Work First Manual became effective October 1, 2007 to reflect the approved [Work Verification Plan](#). One of the major changes in DRA has to do with how states calculate their work participation rates. NC has in the past been able to meet its rates by applying a case load reduction credit. The formula for calculating our participation rate changed and states are no longer able to use the same reduction credit as in the past. While there is still some credit calculation in the formula, it does not provide enough credit to bring the state to required rates. It is imperative for counties to refocus their efforts on assuring more Work First Recipients are meeting the work requirement as specified in policy. NC must meet both the two parent and all family rates in order to avoid financial penalties
- **Shift in Crisis Intervention Program (CIP) Funding:** The funding formula to allocate CIP funds to counties continues to change from being based solely on historical spending. We are in the 3rd year of the 5 year plan. For State Fiscal Year 2008-2009 the allocation will be 40% historical spending and 60% number of persons living in poverty and the Food and Nutrition Services caseload. The shift will result in some counties receiving more CIP funds and some counties receiving less CIP funds. The allocation will be adjusted by shifting 20% each year until the CIP funding is based completely on individuals in poverty and the Food and Nutrition Services caseload for each county.
- **IV-E Waiver Demonstration Project:** Since July 1997, NC has participated in the IV-E Waiver Demonstration Project. Under the Waiver, certain counties were allowed to claim reimbursement under Title IV-E for foster care maintenance, administration and preventive efforts for children determined to be eligible for State Foster Home funds only, under Title IV-E. The federal terms and conditions of the Waiver stipulate that North Carolina must be cost neutral.

On May 15, 2007, North Carolina informed the Administration for Children and Families of our decision to terminate the IV-E Waiver demonstration project with an effective date of December 31, 2006. This decision was made in conjunction with the directors from the 38 counties participating in the Waiver due to our inability to maintain cost neutrality. North Carolina Division of Social Services adjusted claims. As a result, no IV-E Waiver expenditures were reported after December 31, 2006.

NC DSS is pursuing a continuation of the Waiver in partnership with the county directors and the evaluation team from UNC. While we are designing the Waiver continuation, North Carolina will not be claiming any IV-E Waiver expenses. We expect to incur no further liability for loss of IV-E funds while we are negotiating terms and conditions of a Waiver continuation.

The Division has committed to support subsidized guardianships previously established under the waiver. The state support will be at the seventy five percent level and will continue until the original end date for the waiver, which is June 30, 2009. The county share will be 25%.

- **Child Support Enforcement Incentives:** Based on the passage of the Deficit Reduction Act of 2005, effective October 1, 2007, the performance incentive funds can no longer be utilized as match to draw federal dollars. Incentive money passed through to the local agencies must be used as 100% county funds. These funds when spent must be claimed on the DSS-1571 form under the new non-reimbursable IV-D incentive fund code.
- **County Operated Child Support Enforcement Offices:** If Child Support Enforcement in your county is operated by the Division of Social Services and your Board of County Commissioners makes that decision that your county is to begin administering the Child Support Enforcement Program, the Board of County Commissioners must notify the Department of Health and Human Services between July 1 and September 1, 2008. County administration of the Child Support Program will begin July 1, 2009 if the appropriate and timely notification is made in 2008.
- **Work First Family Assistance (Cash Assistance):** Work First Family Assistance shall be computed based on the percentage of each Electing County's total expenditures for cash assistance to statewide actual expenditures for cash assistance in 1995-96. The resulting percentage shall be applied to the federal TANF block grant funds appropriated for cash assistance by the General Assembly each fiscal year. Reductions in cash has occurred during the legislative sessions for State Fiscal Year (SFY) 2004-05, 2005-06, 2006-07, and 2007-08. Funds available for distribution to electing counties will be adjusted based on State and/or Federal legislation.
- **Proposed changes to the Foster Care rates and reimbursement system:** For the past several years, the Division of Social Services has been working with providers and county staff in a workgroup to establish a methodology to determine rates for the care of children in a range of agencies and setting types. The current process resulted in an ever widening range of rates across various agencies. The Standard Board Rate (SBR) for all children in foster care did not fully support the cost of care for all children in the foster care system.

Additionally, the process by which providers were paid has become fragmented and difficult to monitor and utilize for performance management and budgeting purposes. The Division will request from the Department a funding increase for the SBR and for support to establish a uniform rate for each setting type. To facilitate an efficient process to pay for placement services, the division is modifying the reimbursement system to accommodate direct county reimbursements. Under this process, counties will cover the entire cost of care for children in placement. The state will reimburse counties for 50% of the non-federal share of that cost, up to the established rate. The state will discontinue the issuance of payments to agencies for children in care. While the expenditures for counties will increase significantly, so will the amount counties are reimbursed by the state. Additionally, an equal partnership between the state and each county will be enforced, for all children in care. Additional State funding is contingent upon approval of funding by the General Assembly.

- **Post Secondary Support Program - No Budget Estimate Prepared**
The General Assembly has allocated a total of \$3,107,200 for SFY 2007-2008 and a total of \$6,336,500 for SFY 2008-2009 for the purposes of supporting educational needs of children exiting the foster care system after reaching the age of 12. For individuals aged 18-25 who either aged out of North Carolina public foster care or who were adopted from North Carolina public foster care at or after the age of 12 are eligible for these scholarships. These state-funded scholarships will pay the balance of costs of attendance for any qualifying student who attends one of the sixteen branches of the University of North Carolina or one of the fifty-eight North Carolina Community Colleges. In addition to financial aid, case management services will be available to all students who receive the scholarship.
- **Confidential Intermediary for Access to Adoption - No Budget Estimate Prepared**
Effective January 1, 2008, NCGS 489-101, 48-9-104 and 48-9-109 were amended by HB 445. These changes made it possible for an adoptee, birth parent, lineal descent or adoptive parent of a child under the age of 21 to request information regarding their adoption case. For further information see: <http://www.dhhs.state.nc.us/dss/dcdl/famsupchildwelfare/fscw-77-2007.pdf>
- **Foster Care Caseworker Visits Funding- No Budget Estimate Prepared**
On April 25, 2007 the Division of Social Services issued Dear County Director letter FSCWS-33-07. In this letter information regarding monies made available through the federal grant IV-B subpart 2 as specified in P.L. 109-288. This money was designated to assist counties in meeting the benchmarks for ensuring safety of children in foster care. As the SFY 2006-2007 was nearly at the end, it was decided that the money would be issued to counties after July 1, 2007. These funds must be expended by September 30, 2009. For additional information concerning future funding see the communication issued by the Administration for Children and Families http://www.acf.dhhs.gov/programs/cb/laws_policies/policy/im/im0605.htm.

I. PROGRAMS OF PUBLIC ASSISTANCE

• WORK FIRST FAMILY ASSISTANCE

Electing Counties

Electing Counties can design their own work program, including eligibility criteria and sanctions. Electing Counties must continue to follow certain State and Federal legislative requirements, such as mandatory screening for substance abuse and non-citizen eligibility rules. The funding for cash assistance is included in the Electing Counties' Work First Block Grant. Electing counties are responsible for the cost of cash assistance payments that result from increased caseloads beyond the funds that have been allocated.

The following counties requested to be designated as electing for the 2007 thru 2009 biennium: Beaufort, Caldwell, Catawba, Iredell, Lenoir, Lincoln, Macon, and Wilson. These counties must remain as electing counties until the next TANF State Plan is approved by the General Assembly and certified by the Federal Department of Health and Human Services. Financial implementation of the Work First Program began July 1, 2007, while the Work First Program plan began October 1, 2007 when the State plan took effect. These estimates reflect funding based on these electing counties.

Standard Counties

The remaining counties will operate under the State's Work First Program. These counties are considered Standard Counties by legislation and Work First Policy. The funding for cash assistance will not be considered part of the Work First County Block Grant in the Standard Counties. Standard counties are not required to budget additional funds if caseloads increase beyond the level projected in these estimates.

• FOOD AND NUTRITION SERVICES ALLOTMENTS

Senate Bill 836 changed the name of the Food Stamp Program in North Carolina to the Food and Nutrition Services Program. The name change reflects the elimination of paper Food Stamps and the use of electronic benefit transfer cards to access benefits. In addition, the change more accurately describes the program that provides food for low-income individuals and families, and emphasizes choosing nutritious food to grow healthy children and maintain good health for adults and seniors. Other states who have renamed their program have seen increases in their participation rates. It is believed that the words "food" and "nutrition" send a very positive message to the customers and potential customers of the program. Hopefully the name change will do the same in our state. During the month of November 2007, 396,213 NC households were receiving benefits at an average of \$233 per household. These households represent 846,842 individuals. This is an increase of 189,839 households since July 2000 and an average increase in allotments by \$66 per households. The current participation rate for the Food And Nutrition Program in NC is 66.73%. Most of the people who are eligible to receive benefits but are not are young children under 6 years of age and person over 50. Please continue your local efforts to encourage applications for benefits. Remember \$1 in benefits turns over 9 times. This is good for local economies as well as the families we serve.

Electronic Benefits Transfer

EBT is the process of delivering Food and Nutrition Services benefits to recipients via a debit card. The Food Stamp Information System (FSIS) sends files via the EBT Interface System (EBTIS) to eFunds, the current EBT vendor, to set up accounts when Food and Nutrition Services recipients are approved for benefits and to transmit benefit amounts. The benefit amounts are credited to the Food and Nutrition Services recipients' accounts. Transactions are tracked at food retail outlets. These transactions are deducted from the balance in the recipients' accounts. The approval or denial is given instantly in real time via a Point-of-Sale (POS) terminal and the balance of the account is adjusted and printed on the receipt. Various administrative reports are created to upload transaction history into the DSS Data Warehouse.

All costs associated with EBT will be eligible for reimbursement of federal funds from the Food and Nutrition Services Program at the standard administrative Federal Financial Participation (FFP) rate of 50% with county funds supporting the 50% non-federal share of costs.

- **ADOPTION ASSISTANCE – Budget Estimates based on current rates**

The General Assembly has established the monthly regular Adoption Assistance payment rate per child as follows:

<u>Age of Child</u>	<u>Adoption Assistance Payment</u>
0 to 5 years of age	\$390
6 to 12 years of age	\$440
13 to 18 years of age	\$490

The **proposed** SFY 2008-09 Adoption Assistance rates for the Department's consideration for inclusion in the SFY 2008-09 funding requests are as follows:

<u>Age of Child</u>	<u>Adoption Assistance Payment</u>
0 to 5 years of age	\$475
6 to 12 years of age	\$581
13 to 18 years of age	\$634

The General Assembly has established monthly HIV Adoption Assistance payment rates as follows:

<u>HIV Status of Child</u>	<u>Payment Rate</u>
Indeterminate HIV status	\$ 800
Confirmed HIV Infected, Asymptomatic	\$1,000
Confirmed HIV Infected, Symptomatic	\$1,200
Confirmed HIV Infected, Terminally Ill	\$1,600

There are three categories or types of regular adoption assistance payments: 1) the State Adoption Fund, 2) Title IV-B Adoption Assistance, and 3) Title IV-E Adoption Assistance. The amount of federal, state, and county financial participation varies among these categories; however, the standard monthly payment rates listed above apply to each. The categories are described below:

State Adoption Fund (G.S. 108A-50)

This category of adoption assistance is used in adoption cases of "private" agency children who are not IV-E eligible. Funding for the State Adoption Fund is 100% State. No county financial participation is required for monthly cash or vendor payments in these cases.

Title IV-B - Adoption Assistance (G.S. 108A-50)

This category of adoption assistance is used in making payments on behalf of children who are not eligible for either the State Adoption Fund or IV-E funding. Funding for Title IV-B Adoption Assistance is Federal, State, and County.

Title IV-E - Adoption Assistance (G.S. 108A-49)

This category of adoption assistance is used in making payments on behalf of children who are not eligible for assistance from the State Adoption Fund **and** are IV-E eligible. Federal financial participation in Title IV-E Adoption Assistance is tied to the state's approved Federal Medical Assistance Payment (**FMAP**) rate of 64.05% and the state and counties share equally in the non-federal share costs of 17.975%.

The rates for FY 2008-2009 are not available and therefore can not provide a composite rate for SFY 2008-2009. For budgeting purposes, use the federal rates for FY 2007-2008.

At present, Federal Title IV-E Adoption Assistance funds are not capped. Reimbursement to adoptive parents for one-time "non-recurring costs" also falls within this category (see Section 1305, Chapter VI of the Family Services manual for additional information).

Special Needs Adoption Incentive Fund

The General Assembly has established monthly adoption incentive payments for foster parents who are receiving supplemental foster care payments to provide for children with severe special needs. The adoption incentive payments equal the amount received by foster parents, thus removing the disincentive for foster parents to adopt children with severe special needs. Guidelines have been established for eligibility for children and participation by counties. Participating counties provide 50% and the state shares in providing 50% of the cost of the supplement for each adopted child who qualifies for the program. The fund is capped at \$500,000.

- **ADOPTION - VENDOR PAYMENTS**

Vendor payments for allowable costs on behalf of children who are eligible for adoption assistance under any of the three funding categories, with a maximum payment of \$2,400 per year, for any combination of medical and non-medical services or treatment not covered by any medical insurance program. The required county financial participation rate is 25% and the state is 75% for children covered under Title IV-B Part I. There is no county financial participation for vendor payments for children covered under the State Adoption Fund. In compliance with Division policy, some children who do not receive monthly cash payments may be eligible for vendor payment assistance.

- **FOSTER CARE – Budget Estimates based on current rates**

The Department of Health and Human Services has formed a workgroup to examine alternative methods' of establishing rate structure and methodology for foster care services. This workgroup has completed this effort and has published findings. The areas addressed include the Foster Care Board Rate as well as the IV-E Foster Care and Maximization rates. Draft Standard Board Rates are noted below. These amounts are based on a methodology created by the United States Department of Agriculture. For additional information, see:

<http://www.cnpp.usda.gov/ExpendituresonChildrenbyFamilies.htm>

As authorized by the General Assembly, the maximum regular foster care board rates for all funding streams are as follows: (Note: Of these amounts, \$15 is a personal needs allowance for the child.)

<u>Age of Child</u>	<u>Foster Care Board Rate</u>
0 to 5 years of age	\$390
6 to 12 years of age	\$440
13 to 18 years of age	\$490

The **proposed** SFY 08-09 Foster Care Standard Board Rates for the Department's consideration for inclusion in the SFY 08-09 funding requests are as follows:

<u>Age of Child</u>	<u>Foster Care Board Rate</u>
0 to 5 years of age	\$475
6 to 12 years of age	\$581
13 to 18 years of age	\$634

The workgroup has proposed a uniform rate for all providers of residential services, variable by the age of the child. The current methodology results in each provider having a unique rate, based on that agency's past allowable expenses.

The **proposed** SFY 08-09 Residential Foster Care rates for the Department's consideration for inclusion in the SFY 08-09 funding requests are as follows:

<u>Age of Child</u>	<u>Residential Care Rate</u>
0 to 5 years of age	\$4,279
6 to 12 years of age	\$4,437
13 to 18 years of age	\$4,516

The General Assembly has also established monthly HIV Foster Care Board rates as follows:

<u>HIV Status of Child</u>	<u>Payment Rate</u>
Indeterminate HIV status	\$ 800
Confirmed HIV Infected, Asymptomatic	\$1,000
Confirmed HIV Infected, Symptomatic	\$1,200
Confirmed HIV Infected, Terminally Ill	\$1,600

IV-E Foster Care and Maximization

The State eligibility policy for Title IV-E Foster Care Assistance is contained in the Family Services Manual, XIII – Child Welfare Funding Manual.

Federal financial participation in Title IV-E Foster Care Assistance is tied to the state's approved Federal Medical Assistance Payment (**FMAP**) rate of 64.05% and the state and counties share 17.975% equally in the non-federal share of costs incurred up to the Standard Board Rate (SBR).

The rates for FY 08-09 are not available and therefore can not provide a composite rate for SFY 08-09. For budgeting purposes, use the federal rates for FY 07-08 which are 64.05% federal, 17.975% each state and counties

Federal Title IV-E Foster Care funds are not capped, therefore costs above the SBR claimed in accordance with county DSS and state policies are eligible for federal reimbursement to counties on behalf of eligible children placed in county operated family foster homes and facilities with Facility Rates. Counties are reimbursed based upon costs reported on the DSS-5094 minus the child's own resources. For a child in a DSS family foster home, excess costs are reimbursed based on each county DSS policy for payment of such costs. For a child placed in a facility or family foster home with an approved Facility Rate, reimbursement of excess costs is tied to the Facility Rate and cannot exceed the federal share of the Facility Rate. The PQA 022-1 Report is generated monthly to reflect the amount of IV-E Maximization paid to the county above the Standard Board Rate.

IV-E Waiver Assistance

Since July 1997, some counties have participated in the IV-E Waiver Demonstration Project. Under the Waiver, these counties were allowed to claim reimbursement of foster care maintenance, administration and preventive efforts for children determined to be eligible for State Foster Home funds only, under Title IV-E. Due to not being cost neutral, the waiver was terminated December 31, 2006. At the request of waiver counties, the Division is exploring the possibility of negotiating a revised IV-E waiver with the Administration for Children and Families (ACF). However, counties should not budget for additional funds from the waiver at this time.

The Division has committed to support subsidized guardianships previously established under the waiver. The state support will be at the seventy five percent level and will continue until the original end date for the waiver, which is June 30, 2009. County share will be 25%.

State Foster Care Benefits Program

The State eligibility policy for the State Foster Care Benefits Program is contained in the Family Services Manual, Chapter XIII – Child Welfare Funding Manual. Counties are reimbursed from this source of funds for children who are determined not to be Title IV-E eligible.

The State Foster Care Benefits Program payment costs are shared between the counties and the state at the rate of State 50% and County 50% up to the established Standard Board Rate (SBR). There is no state financial participation reimbursed to counties for payments made on behalf of non-Title IV-E children above the SBR.

TEA and Foster Care Maintenance Payments

Foster care maintenance payments for non IV-E eligible children who are TANF Emergency Assistance (TEA) eligible and are placed in licensed homes or facilities may be reimbursed at county option through the Work First County Block Grant allocations of TANF funds.

For foster care maintenance payment reimbursement, the child must be experiencing an emergency/crisis situation and must have lived with a specified relative within six months of the date of eligibility determination. Eligibility determination cannot be retroactive. TEA foster care maintenance payments may not extend beyond 364 days.

Three emergency situations commonly relate specifically to child welfare:

- Abuse, neglect, or dependency of children;
- Situation in which a child is at risk of removal from the home;
- Situation in which return to the home of a child who is currently separated from his family may create an emergency.

Foster care maintenance payments for IV-E children must continue to be made through IV-E. County DSS financial staff must assume the responsibility to closely monitor the availability of the county's TEA funds for foster care maintenance payments and other child welfare services through the monthly XS 411 Report and/or other available methods. The PQA 022-2 is generated to reflect the amount of TEA expenditures that the county has reported above the Standard Board Rate. For a child in a DSS family foster home, excess costs are reimbursed based on each county DSS's policy for payment of such costs. For a child placed in a facility or family foster home with an approved Facility Rate, reimbursement of excess costs is tied to the Facility Rate and cannot exceed the Facility Rate. The monthly PQA 020 will reflect the amount of expenditures up to the Standard Board rate. Reimbursement is reflected on the monthly WC 337 report and the XS 335 Reimbursement for the county welfare administrative expenditures report.

Treatment Needs for Children in Foster Care

When foster children are placed in residential treatment facilities or therapeutic foster homes, county DSS's have the financial responsibility for their room and board costs. In order to be reimbursed for these costs, the facility must have a valid license. If the facility is licensed through the Division of Facility Services, the Division of Social Services must assign the DFS-licensed facility an identification number that is compatible with the Child Placement and Payment System. Room and board costs vary depending on the child's authorized mental health "Level". The following is a breakout of these costs by Level:

- Level II family or residential-DSS pays SBR and may be asked to pay additional costs up to the Facility Rate, (if the facility has a Facility Rate) and the combination of Medicaid and SBR are less than the Facility Rate. (PQA-020 for SBR) (PQA-022-1 for IV-E over SBR and PQA-022-2 for TEA over SBR.).
- Level II family or residential-DSS pays the SBR if the facility does not have a Facility Rate. (PQA-020).
- Level III – DSS pays the Division of Medical Assistance (DMA) established room and board rate. If a child is TEA or IV-E eligible, the DSS may claim clothing costs in 022-2 for TEA over SBR and PQA-022-3 for SFHF eligible children. PQA-022-3 reflects "At-Risk funding).

- Level IV- DSS pays the Division of Medical Assistance (DMA) established room and board rate. (PQA-220 for SBR for all eligibility categories and PQA-022-3 for reimbursement over the SBR for all eligibility categories. The PQA-220 also reflects “At-Risk funding.”).

Counties are encouraged to look at their recent history of expenditures in this area and budget accordingly.

- **LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)**

The total LIHEAP Block Grant is expected to be approximately \$36 million for federal fiscal year 2008. This block grant is budgeted for three primary components: Low Income Energy Assistance Program (LIEAP) Assistance Payments, Crisis Intervention Program (CIP) payments, and the Weatherization Program administered through the Department of Health and Human Services, Office of Economic Opportunity. Up to 10% of the block grant funds is available for administration of the program. The estimates are contingent upon the approval of the LIHEAP State Plan by the General Assembly in the spring. Also, as in prior years, depending upon action by Congress or the Administration, the amount available could be changed.

Low Income Energy Assistance Program (LIEAP)

The Energy System will be automatically linked to the Food Stamp Information System (FSIS) in order to determine eligibility for a large number of Food and Nutrition Services recipients. County departments of social services will take LIEAP applications for individuals not determined eligible through the automated application process. Applications must be taken for two weeks in November 2007. Families with young children, persons with disabilities, and the elderly will be targeted for assistance. Checks will be mailed in February 2008 to eligible households.

Crisis Intervention Program (CIP)

Each year Congress budgets funds for emergency allotments to the states based on weather related needs. North Carolina has received emergency contingency funds for either winter heating, summer cooling or hurricane related needs in past years. The funds received from these emergency allocations are usually sent to counties as additional CIP allocations. Whether North Carolina receives any additional emergency contingency funding in the coming year is contingent upon federal funding, weather conditions and other states needs as well. The federal Department of Health and Human Services determines which states receive these funds and how much each state is allocated.

The CIP web-based system reflects service dollar budget allocations as they are allocated .

Heating Air Repair and Replacement Program (HARRP)

This program operates as a sub-component of the Crisis Intervention Program (CIP) and provides assistance for repairs to home heating and cooling systems for low income families. Funds are transferred to the DHHS Office of Economic Opportunity and services are provided through community action agencies.

Weatherization Program

A portion of the LIHEAP block grant is utilized for weatherization activities for low- income individuals.

- **ENERGY NEIGHBOR PROGRAM (Progress Energy)**

Counties in the Progress Energy service area receive funding for the Energy Neighbor Program, formerly known as the Project Share Program. Service area counties assume 100% administrative costs for administering this program. Progress Energy collects the money and specifies how the funds are allocated to each county.

- **WAKE ELECTRIC ROUND UP PROGRAM (Wake Electric Membership Corporation)**

Counties in the Wake Electric service area assume 100% cost for administering this program. Wake Electric collects the money and specifies how the funds are allocated to each county.

- **SHARE THE WARMTH PROGRAM (Piedmont Natural Gas)**

Counties in the North Carolina Natural Gas service area in eastern North Carolina assume 100% cost for administering this program. Piedmont Natural Gas collects the money and specifies how the funds are allocated to each county within their service area.

- **HELPING EACH MEMBER COPE PROGRAM (Haywood Electric Membership Corporation)**

Counties in the Haywood Electric service area assume 100% cost for administering this program. Wake Electric collects the money and specifies how the funds are allocated to each county.

- **RETURNS FROM IV-D COLLECTIONS**

Counties who operate the Child Support Enforcement Program continue to receive the local share of IV-D return from TANF collections. However; for counties in which the Child Support Program is operated by the state, all return is paid to the state with no local share of return. TANF collections paid as family payments, medical, and money collected on behalf of other states represents approximately 17.4% of the TANF collections, and no return is received on these amounts.

II. SOCIAL SERVICES PROGRAMS

• SOCIAL SERVICES BLOCK GRANT

Social Services Block Grant Funds (SSBG) are made available under Title XX of the Social Security Act. The matching rate for the regular SSBG allocation is 75% federal or state (state participation dollars are capped at \$3,000,000) and 25% county with the exception of social worker time for family planning counseling which is matched at 90% federal and 10% county. In-Home Services (including In-Home Case Management) are reimbursed at 87.5% federal and 12.5% county. In recognition of county flexibility to use these funds for various services - at various match rates - the estimates assume that all funds not otherwise targeted for specific services by the General Assembly will be used at the 75% rate. This means the estimates include the highest amount of county funds that will be required to match the federal dollars. Counties may choose to use these funds for other services at the applicable match rates.

The estimates reflect the same level of funding for SFY 2009 that is available for SFY 2008, including state funds to help replace the federal reduction of SSBG funding. **Please note that the final funding available to counties is subject to approval by the General Assembly.**

• TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) TRANSFERRED TO SOCIAL SERVICES BLOCK GRANT (SSBG)

As in previous years, the estimates show a portion of the SSBG allocation as TANF Transferred to SSBG. To appropriately spend these funds, counties must document a child or a family with a child being served. In addition, the child or family must have income at or below 200% of the federal poverty level. The Division of Social Services has defined the services that may be funded with TANF Transferred to SSBG. A 25% county match is required. **Please note that final funding available to counties is subject to approval by the General Assembly.**

• LINKS

LINKS services are directed toward serving adolescents ages 13 to 21 who are in DSS custody/placement authority or who were in foster care after the age of 13. All funding and programming is directed toward helping these youth and young adults achieve self-sufficiency. There are several key elements to the Chafee Foster Care Independence Act that are reflected in the funding plan:

1. All teens in foster care are targeted for services. Counties may serve adolescents as young as 13 with LINKS Program services. Priority for services is given to youth 16 to 21 who are in foster care or are on CARS agreements and to young adults who aged out of foster care at age 18. Part of the counties' allocation is based on the number of teens ages 13-15 in foster care. Serving this population is strongly encouraged, although not specifically required by the legislation.
 - Eligible teens and young adults who are in agency custody/planning authority ages 16 to 21 must be provided the opportunity to receive meaningful assistance with skills training, counseling, education and other appropriate support and services. These youth are eligible for services until their 21st birthday.

- The young adults who "age out" of foster care (i.e. were in custody on their 18th birthday) must be provided opportunities for assistance with housing, education, employment, and life skills. Funding is available to reimburse counties for expenditures made on behalf of these young adults when it is part of a broader service plan.
2. Teens and young adults must take increasing responsibility for planning and implementing their plans. Documentation of youth involvement must be included in the case record and reflected on the service agreement and transitional plan. Agencies have the responsibility for teaching the skills necessary to be self-sufficient and for providing opportunities to use those skills within a supportive environment.
 3. The state is required to track outcomes for young people once they leave our care, and to offer services as needed to facilitate successful transition to self-sufficient adulthood. Counties are required to track outcomes related to youth who leave custody as teenagers in order to assess the effectiveness of their programs.
 4. The State must make benefits and services available to Native American children in the state on the same basis as other children. North Carolina interprets this responsibility to include all Native American children, regardless of Federal recognition status.

The allocation plan reflects the following goals of the Chafee Foster Care Independence Act:

- To improve and expand LINKS Program services to youth in custody/placement authority ages 16 to 21 directed toward assessment, life skills training, educational assistance, and experiential learning. (Allocated to counties @ \$700 per youth ages 16 to 21 in DSS custody/planning responsibility regardless of living arrangement.)
- To provide LINKS Program services to youth in foster care ages 13-15 directed toward helping them plan for their future, to participate in assessments and needed skills training, and to learn about resources. (Allocated to counties @ \$75 per youth 13-15 in DSS custody/planning responsibility regardless of living arrangement.) If additional funds become available, a per capita allocation will be provided to counties based on the number of youth who aged out of foster care and are not yet 21.
- To provide additional funding (**LINKS Special Funds**) for transitional housing assistance and services for youth who have aged out of foster care, to provide assistance to eligible youth to encourage academic achievement; and to develop additional strategic services for youth who are deemed at high risk. (Allocated to counties @ \$250 per eligible young adult 18 to 21.)

LINKS Special Funds are available for reimbursement to counties for allowable expenditures on behalf of registered, qualified youth and young adults. Procedures for registration of eligible youth are as follows:

1. The social worker verifies and documents eligibility based on the attached criteria, and sends form "Authorization for Funds Access", DSS-5216, to the State LINKS Coordinator.
2. The county then spends county funds for Transitional Housing (up to \$1,000) and/or LINKS Transitional Fund expenses (up to \$2,250).

3. The agency sends a "Request for Reimbursement", DSS-5217, to the State LINKS Coordinator, specifying the types of funds to be reimbursed and the purpose of the expenditure. This request must be received by the State LINKS Coordinator by 4:30 pm on the last business day before the 15th of the month in order to assure timely reimbursement. Late requests will be submitted to the Controller's office on the 15th of the following month. The State LINKS Coordinator checks to assure that the youth have been certified as eligible and forwards approved requests to the State Controller's Office on the 15th of the month in which it was received. The Controller reimburses the county via Electronic Funds Transfer in the next calendar month. Funds are available on a first-come, first-served basis until they are exhausted for the Federal Fiscal year. Counties are informed when the LINKS Special Funds are critically low.
4. In order to facilitate access and reimbursement of these special LINKS funds, as well as for audit purposes, counties are encouraged to establish special budget line items for expenditures and revenue using county funds to facilitate processing of advancement and reimbursement of LINKS Special funds. LINKS Special Funds are reimbursed by EFT during the first week of the month following the claim for reimbursement so that the amount expended is replenished quickly.

Education Training Vouchers - No Budget Estimate Prepared

Federal funding approved in 2003 provides up to \$5000 per year for post secondary educational and/or vocational training for young adults who were either in foster care on or after their 17th birthday or else were adopted after their 16th birthday. The state is contracting with a private, non-profit agency to process applications and to administer distribution of these funds. Counties are responsible for verifying eligibility and for referring these youth for these scholarships. The student must apply directly for the application to be processed. Referrals and applications are submitted via the Internet to www.statevoucher.org.

North Carolina Child Welfare Postsecondary Education Support Scholarships

College students ages 18-25 who either aged out of North Carolina public foster care or who were adopted from North Carolina public foster care at or after the age of 12 are eligible for these scholarships. These state-funded scholarships will pay the balance of costs of attendance for any qualifying student who attends one of the sixteen branches of the University of North Carolina or one of the fifty-eight North Carolina Community Colleges. In addition to financial aid, case management services will be available to all students who receive the scholarship. The full implementation date of this scholarship is anticipated to be February, 2008.

Federal and state scholarships must be applied first to the established costs of attendance which include:

- Tuition, fees and other equipment or materials required of all students in the same course of study
- Books, supplies and an allowance for transportation costs and miscellaneous personal expenses, including computers
- Room and board (which may vary depending on whether the student lives at home, in student-housing or an apartment)
- Child care expenses for a student who is a parent
- Accommodations related to the student's disability, such as a personal assistant or specialized equipment that is not paid for by another source

- Expenses related to the youth's work experience in a cooperative education program
- Student loan fees or insurance premiums on the student loan

Procedures for accessing these scholarships will be provided to the county departments of social services by January 1, 2008.

- **SYSTEM OF CARE GRANT**

North Carolina is the recipient of a 5 year federal Child Abuse and Neglect discretionary grant in the amount of \$500,000 per year entitled “Improving Child Welfare Outcomes through Systems of Care”, begun in October 2003 and scheduled to continue through September 2008. Grant funds are available for use only in Alamance, Bladen and Mecklenburg counties, which are the demonstration sites for the grant.

- **PERMANENCY PLANNING**

Permanency Planning funds can be used to support direct services aimed at ensuring safety, permanence and well-being for children who:

- 1) are the subjects of a valid CPS referral, and have been determined to be in need of services based on the completion of a comprehensive family assessment process and are not at imminent risk of coming into agency custody or placement responsibility (i.e. not “reasonable candidates” for foster care);
- 2) are in agency custody/placement responsibility for less than 12 months;
- 3) are in agency custody/placement responsibility for more than 12 months and for whom the plan is adoption, custody or guardianship with an **identified** relative, or custody/guardianship with another **identified** caretaker; OR
- 4) have left DSS custody/placement responsibility within the previous 12 months (including post-adoption services).

Reimbursable Activities Include:

- Intensive Family Preservation Services or other services designed specifically to prevent out-of-home placement;
- Intensive Family Reunification Services during first six months of entry into out-of-home placement;
- Staff time on behalf of children in the identified population;
- Post-Adoption Services and Independent Living Services;
- Supportive intervention services to family members, relatives, caretakers as needed to achieve stability and permanence;
- Recruitment and training of foster and adoptive parents;
- Legal services designed specifically to achieve permanence for children.

Non-reimbursable activities include:

- Staff time or supportive services on behalf of children who have been in agency custody/placement responsibility for more than 12 months and for whom the plan is reunification with birth parents;

- Staff time or supportive services on behalf of children who have been in agency custody/placement responsibility for more than 12 months and for whom the plan is custody or guardianship with an **unidentified** relative or other caretaker;
- Any type of residential care or child day care payment.

- **CHILD PROTECTIVE SERVICES – STATE**

During the 2003 Session, the North Carolina General Assembly appropriated the sum of \$5 million to the Division for the purpose of providing aid to counties for child protective services (HB 1414). The funds were appropriated beginning SFY 2004/2005 and are a combination of \$1 million in TANF funds and \$4 million in State dollars. During the 2005 Session, the General Assembly appropriated an additional \$2 million dollars in state funds (SB 622) for the same purpose and to expand the Multiple Response System to all counties in the state. Both appropriations are to be distributed based on a formula that addresses the needs of counties that have high caseload per child protective services worker ratios. It is the intent of the members of the General Assembly that these funds not be used to supplant any other source of funding for staff. Rather, these funds can only be used to increase the number of child protective workers throughout the state.

- **FAMILY PRESERVATION**

Part 2 of Title IV-B provides funding for services for Family Preservation and Family Support Services.

Non-Intensive Family Preservation Services – Family preservation services are family-focused interventions that target at-risk families who are *not at imminent risk*. Programs reduce instances of maltreatment and help children remain safely in their own homes.

Chatham County Department of Social Services – Non-Intensive Family Preservation - \$75,000 – IV-B-2 (CFDA #93.556).

Time-Limited Family Reunification Services – Reunification services programs provide a variety of services and supports to families who have one or more children returning from an out-of-home placement. Programs aim to help each child and family achieve and maintain their optimal level of reconnection.

Catawba County Department of Social Services – Reunification - \$58,444– IV-B-2 (CFDA #93.556).

- **REPLACEMENT FOR LOSS OF IV-E ADMINISTRATIVE FUNDS**

The Deficit Reduction Act of 2006 prohibited the use of IV-E Administrative Funds for children who were otherwise IV-E eligible and placed in the home of unlicensed relatives. As a result, county departments of social services experienced a loss in the support of federal funds to support these placements. The 2006 General Assembly recognized this loss and appropriated \$2 Million to assist with this loss. The Division in collaboration with NCACDSS, CWS Funding Committee, devised a formula that would recognize those children who were placed in the home of unlicensed relatives and would provide the percentage of the budget allocation to those counties who had children in those placements. The formula used an average quarterly count of the children placed in the homes of unlicensed relatives for SFY 05-06 and pro-rated the

allocation to each of the counties. These funds will be placed in your county TANF CPS/FC Adoption allocation. (See Dear County Director letter # FSCW 59-2006, October 24, 2006). The Division will utilize the same methodology for the upcoming SFY using an average quarterly count of the children placed in the homes of unlicensed relatives for SFY 06-07. For SFY 07-08 these funds are combined with TANF Child Welfare Workers for Local DSS.

- **SCHOOL BASED CHILD AND FAMILY SUPPORT TEAMS INITIATIVE**

The North Carolina General Assembly has appropriated the sum of \$420,804 dollars in recurring state funds for the purpose of establishing 12 child and family team facilitator positions in county DSS agencies to support the School Based Child and Family Support Team Initiative. The Divisions' CWS Funding Committee, in collaboration with NCACDSS, has determined to provide funding to 12 non-IV-E Waiver Counties. (See Dear County Director letter # DIR-02-2006, October 2, 2006).

- **TITLE IV-D - CHILD SUPPORT ENFORCEMENT ADMINISTRATION**

Federal Financial Participation (FFP)

FFP in administration of the IV-D Program is scheduled to be 66% for SFY 2009.

Incentive Payments

In FFY 2002 the State began to earn incentive payments based on North Carolina's performance as compared to the other states in the nation. The areas of comparison are paternities established or acknowledged in relation to the number of children born out-of wedlock, percent of cases with support orders, percent collected of current support owed, percent of cases with collections toward arrears, and the cost effectiveness of the program. This new incentive program was phased-in over a three-year period with the final implementation in FFY 2002.

Once the state earns its incentive award, the amount is passed down to the counties administering the local IV-D Program. The pass down process mirrors the federal incentive program with each local office's earnings based upon their program's performance in comparison to the other local Child Support Offices in the state. For SFY 2009, the county operated share of incentive is projected to be \$ 10,412,395.

It is very important that the incentive monies earned are used to supplement and not to supplant local dollars. The Federal Office of Child Support Enforcement, Action Transmittal 01-04 discusses the reinvestment phase-in process for incentive earned, and the procedure used to determine what is considered the base amount of local dollars invested by the state or county in their child support program. It can be found at the following Internet address:

<http://www.acf.dhhs.gov/programs/cse/pol/AT/2001/at-01-04.htm>

Once the base amount is calculated the ability to understand supplementing and supplanting of incentive will be known. The base dollars are calculated by determining the average of FFY 96, 97 and 98 local shares of child support expenditures less the average of FFY 96, 97, and 98 child support incentive earned. In a memo dated May 13, 2002 all local child support program administrators were notified of their base investment dollars. It is very important to remember

under the current incentive law; effective FFY 02, all incentive monies earned, as well as the base dollars must be reinvested back into the program.

Based on the passage of the Deficit Reduction Act of 2005, effective October 1, 2007, the performance incentive funds can no longer be utilized as match to draw federal dollars. Incentive money passed through to the local agencies must be used as 100% county funds. These funds when spent must be claimed on the DSS-1571 form under the new non-reimbursable IV-D incentive fund code.

Projected Collections

The collections, estimated for SFY 2009, are \$35,782,210 for public assistance and \$696,004,853 for Non-public assistance. This is a total collection amount of \$731,787,063.

Projected Expenditures

The estimate of anticipated administrative requirements for the operation of local IV-D programs that are county operated for SFY 2009 is \$83,487,882.

Other Program Impacts

Recent federal legislation, the Deficit Reduction Act of 2005 (DRA), impacts the Child Support Enforcement program. This legislation includes several provisions, such as a reduction of the arrearage amount that triggers passport denial from \$5,000 to \$2,500; changes in distribution rules; collection fees; and use of the Federal Income Tax Refund Intercept Program to collect past due child support on behalf of children who are not minors.

The DRA Legislation also requires states to charge an annual \$25.00 fee to never TANF assistance cases where the collections within one year exceed \$500.00. Effective October 1, 2007 clients that have never received TANF assistance will be charged a \$25.00 fee each year the collection on their case exceed \$500.00. The fee is considered income to the program and is used to offset program expenses. For more detail:

http://info.dhhs.state.nc.us/olm/manuals/dss/cse/man/CSEcB-04.htm#P736_68404

Clients can now receive payments through direct deposit or debit card. This eliminates costly check processing fees and postage costs, allows for faster access to funds, while improving the efficiency of the program. In addition, child support is increasing efforts on the more difficult cases through the use of a vendor. This effort will help to provide income to families to assist them to become more self sufficient.

There is a change regarding purchase of ACTS computers which will impact local budgets. Currently, the state provides computers to state-operated and locally operated CSE offices through the Seat Management Contract. Counties are now under the same guidelines as the State in that if a Seat Management computer is not available, the County is responsible for purchasing a replacement and all future costs related to the replacement.

- **REFUGEE ASSISTANCE**

This is a program for refugee clients who are eligible to receive cash and medical assistance benefits for up to eight months from the date of arrival into the United States. This program is 100% federally funded.

- **FOOD AND NUTRITION SERVICES EMPLOYMENT PROGRAMS**

Food And Nutrition Services Workfare

Counties participating in the Food and Nutrition Services Workfare Program will continue to fund their programs with 50% federal and 50% county funds. Counties interested in establishing Food and Nutrition Services Workfare should contact the Economic Services Section for assistance.

Food and Nutrition Services Employment & Training

Federal Regulations require the operation of the Food and Nutrition Employment and Training (E&T) Program. Each state must submit an annual plan to the United States Department of Agriculture for approval. The E&T Program must be operated in a manner whereby as many individuals as possible participate in the program. The purpose of the program is employment for registrants.

For SFY 2008, it is anticipated that individuals in 56 counties (see E&T budget schedule for list of counties) who are required to participate in E&T will be required to report to the local office of the Employment Security Commission (ESC) or community colleges to register for work that results in employment.

Career Start

Career Start is a project with the N.C. Community College System and the Employment Security Commission currently operational in 26 counties. In Career Start, E&T participants are required to spend four weeks in Human Resource Development training at the local community college before being referred to ESC for four weeks of job search.

Able-Bodied Adults Without Dependents (ABAWD) Services Program

Because of a federal waiver and exemptions for most Able Bodied Adults Without Dependents (ABAWDS) in the Food and Nutrition Services Program from the time limits, NC has requested no funding for the ABAWD Services Program.

ABAWD Exemption from Time Limits

As a result of high unemployment caused by layoffs and plant closings in many counties, ABAWDS often have difficulty locating employment or suitable work activities to retain eligibility for Food and Nutrition Services benefits. The United States Department of Agriculture approved a regional waiver request to exempt ABAWDS from work requirements if they reside in or around geographical areas designated as labor surplus areas by the US Department of Labor. Currently 70 counties are exempting ABAWDs from the time limits under a two year waiver that ends December 2008. Two counties (Mitchell and Surry) operate workfare programs. ABAWDs in the remaining counties are not exempt from the time limits.

Transportation and Other Expenses

There is no maximum amount for participant expenses for transportation and other program expenses. Counties must agree upon the reimbursement amount which is matched with 50% federal funds. E&T and Workfare participants should be paid for their expenses for any month that they participate in a component for which ESC or Career Start submits a voucher to the DSS. There is no limit to the number of months a Food and Nutrition Services recipient may participate in E&T and Workfare components, as long as the individual is complying with work requirements and certified for Food and Nutrition Services benefits. Counties may elect to reimburse participant expenses using 100% county funds. Counties may choose one of the following methods to reimburse participant expenses:

1. actual expenses up to the amount the county has agreed upon matched with 50% federal funds; or
2. a flat monthly agreed upon fee matched with 50% federal funds; or
3. arrange or purchase transportation (e.g., provide bus passes), or pay vendors directly for any items (e.g., books or uniforms) necessary for participation up to the agreed upon amount matched with 50% federal funds.

Dependent Care

Current USDA regulations require that dependent care expenses for E&T and Workfare participants be reimbursed with 50% of the cost paid by federal funds at the actual cost or the local market rate, whichever is less. Throughout the history of Food and Nutrition Services work programs; there has been little utilization of dependent care. E&T and Workfare counties should budget amounts of funds for dependent care that they believe will be sufficient to cover the county needs.

• WORK FIRST COUNTY BLOCK GRANT

The federal government gives states maximum flexibility in how to use their Temporary Assistance for Needy Families (TANF) funds. To provide counties the flexibility needed to provide effective services, State law provides for counties to receive these funds via their Work First County Block Grant.

The Work First County Block Grant provides counties funding for a number of initiatives, only one of which is employment services for parents receiving a Work First payment. The block grant also provides funding for child welfare services and child care.

Work First Services (including some child welfare services) and administration are funded through block grants to counties. Total funds are allocated according to the formula outlined by the General Assembly, which provides funds according to each county's program expenditures in SFY 1995/96 in comparison with statewide program expenditures for SFY 1995/96. As in previous years, all expenditures through the WFCBG will be funded with either 100% TANF dollars or 100% state/county Maintenance of Effort dollars. The Division of Social Services has developed instructions to counties to describe the types of services that may be funded from each source.

Maintenance of Effort

Under the State law, the State and Standard Counties must maintain spending at 100% of 1996-97 budgeted amounts for allowable (qualified) activities. Electing Counties have the option of reducing their spending to 90% of 1996-97 budgeted amounts. State law also contains a provision allowing counties to reduce their MOE spending if they can demonstrate they are meeting the needs of eligible families. (See 108A-27.12(e); 108A-27.13)

Child Welfare Services (TEA)

Because of the funding tie to the former IV-A Emergency Assistance Program and to enhance funding flexibility, counties have the capability to use Work First Block Grant funds to fund a number of child welfare services. To avoid potential confusion with Work First program requirements, 100% federal TANF funding and associated eligibility requirements for child welfare services is referred to as "TEA". TANF regulations allow 100% federal funds to be used to provide a broad range of services that were authorized under the state's 1995 approved AFDC-EA program as long as the same eligibility factors exist and are well documented. The primary eligibility requirements for TEA (100% TANF federal) are a child living with a parent or specified relative (or having lived with a parent or specified relative within six months of eligibility determination) and the existence of an emergency situation. Once the child is determined to be eligible for TEA funding, funding for any service under TEA may not last longer than 364 days unless a different crisis occurs. TEA does not replace IV-E eligibility. If a child is IV-E eligible, IV-E funds must be used for all IV-E allowable activities.

Because of budgetary constraints and in order to increase county spending flexibility, TEA funding is available for CPS Case Planning and Case Management Services (CPS CP&CM). The same eligibility requirements for TEA funding exist when such funds are used to provide CPS CP&CM services. An example of the appropriate use of TEA for CPS CP&CM services is when the family is receiving CPS services, but the child is not considered a reasonable candidate for foster care placement. The family may be experiencing difficulties in parenting, but the difficulties are not of such severity as to endanger the child's safety. In such instances, the child would not qualify for IV-E funding because one of the major requirements for IV-E funding for CPS CP&CM is that the child be a reasonable candidate for foster care placement. The use of TEA to fund CPS CP&CM is not extensive as most agencies provide services only to those parents who are experiencing severe to intensive parenting problems. Consequently, most CPS CP&CM families have children who are considered reasonable candidates for foster care placement absent effective preventive efforts by the agency and thus meet the IV-E eligibility requirements. The use of TEA funds for appropriate children in CPS CP&CM services provides agencies with another way to serve families' needs with greater flexibility.

Child Welfare Services (MOE)

County departments of social services may also use their Maintenance-of-Effort (MOE) funds to provide certain specified child welfare services. Eligibility factors are:

- 1) The service must meet the first TANF purpose: "to provide assistance to income-eligible families so that children may be cared for in their own homes or in the homes of relatives". Workers must document how provision of the MOE funded service meets this TANF purpose,
- 2) The child must be a US citizen or qualified alien,
- 3) The child must be living with a parent or specified relative, and

- 4) Family's income cannot be higher than 200% of the Federal Poverty Level for that size family.

MOE funds are available for families receiving CPS investigative services as long as the family meets the MOE eligibility requirements. MOE funds are also available for CPS CP&CM when the family meets the MOE requirements. The same rationale for use of TEA funding for CPS CP&CM services is the same for MOE funding. In order for MOE funds to pay for CPS CP&CM services, the MOE eligibility requirements must be met and documented. The same rationale for use of MOE for CPS CP&CM exists for those families who may need CPS services from the agency, but the degree of severity of the problems do not threaten the safety of the child. As with TEA funding for this service, there has not been extensive use of these funds. As such, the child is considered a reasonable candidate for foster care placement and IV-E funding is the mandated funding source for such children.

Enhanced Return From Collections

Enhanced funding in the Work First Cash Assistance Program for fraud and client error overpayment collections will continue. It will be earned as follows:

- For collections related to AFDC or Work First Cash Assistance payments made *prior to January 1, 1997*, the return is equal to the county's distributive share and one-half of the State's distributive share of the total AFDC or Work First Cash Assistance benefits recovered.
- For collections related to Work First Cash Assistance *paid on or after January 1, 1997*, the return is equal to seventy-five percent (75%) of the total amount recovered.

Set-Off Debt Collection (State Tax Intercept)

AFDC/Work First claims will continue to be submitted to the North Carolina Department of Revenue (DOR) electronically by the Enterprise Program Integrity Control System (EPICS). We will continue to refer individuals to DOR when their outstanding delinquent IPV and/or IHE claims' balances total \$50.00 or more.

State law requires, if a refund is applied against an agency debt that results in an over collection, the over collection plus interest is to be refunded to the debtor. If the total intercepted funds must be refunded, the collection assistance fee must also be included in the refund. The State Controller's Office processes these refunds. All claims, except Agency Errors, will continue to be included in the Set-Off Debt Collection Program. DOR will provide an update on the interest rate every 6 months.

Work First Demonstration Grants During the 2006 Legislative Session the North Carolina General Assembly appropriated the sum of \$19,048,322 to the Division of Social Services from the TANF Block Grant for county demonstration grants to be used for Work First demonstration projects implemented by county departments of social services. The county demonstration grants may be awarded for up to three years with all projects ending no later than the end of state fiscal year 2008-2009. The purpose of the county demonstration grants is to identify best practices that can be used by counties to improve work participation rates. The Division of Social Services is authorized to establish two time-limited positions to manage the grant award process and monitor the demonstration projects through state fiscal year 2008-2009. Funding provided under the

county demonstration grants shall not be used to supplant local funds and counties shall be required to maintain the current level of effort and funding for the Work First program.

The Division encouraged all counties to submit a plan which detailed how that county would increase their work participation rate, which in turn would help the state meet required federal participation rates. Initially, 36 demonstration grants were awarded in October, 2006 for SFY 2006-2007 in the amount of \$5,691,175. Grants are awarded annually and must be reapplied for each fiscal year.

Grant funds are made available through Funding Authorizations. Counties who received grant funds were required to plan their SFY 2008 budget based on the reimbursement of expenditures.

During the 2007 Session, the North Carolina General Assembly approved the continuation for Work First Demonstration Grants with all projects ending no later than the end of SFY 2009-2010. All counties were given the opportunity to submit a proposal for the second grant year process. Proposals were required to detail how that county would increase its work participation rate, which in turn would help the state meet required federal participation rates. All counties submitting proposals for the State Fiscal Year 07-08 were granted awards with an acceptable grant proposal/plan. We had 52 counties to submit and be approved for awards for SFY 07-08 in August 2007 in the amount of \$6,331,336. The amounts awarded to each county are in a chart at the end of this report. We have 35 WFDG counties continuing from SFY 06-07 and 17 new WFDG counties to equal a total of 52 WFDG counties for SFY 07-08.

- **TANF DOMESTIC VIOLENCE**

These funds are to be used to provide domestic violence counseling support and other direct services to Work First recipients or families with children who meet the 200% of Federal Poverty guidelines. These services include: 1) identification of victims of domestic violence, 2) development of safety plans, 3) determining the need for Work First program requirement waivers, 4) short-term emergency services that insure client safety, and 5) helping victims relocate to a safe place. These funds cannot be used to establish new shelter programs, or for administration. To appropriately spend these funds, counties must document 1) a child or a family with a child being served by Work First or the child or family must have income at or below 200% of the Federal poverty level, and 2) involved in a domestic violence situation.

The allocation for each county is \$5,000 plus each county shall receive an allocation of the remaining funds based on the county's proportion of the statewide total of the Work First caseload as of July 1, 2006 and the county's proportion of the statewide total of the individuals receiving domestic violence services from programs funded by the Council for Women/Commission on DV as of July 1, 2005. No county match is required. **Please note that the final funding available to counties is subject to approval by the General Assembly.**

III. ADMINISTRATION

- **MEDICAID EXPANSION**

These funds are used by county departments of social services for additional eligibility workers needed to support the expansion of public assistance programs. This appropriation provides for a 50% Federal and 50% State match. This legislation provides that county departments of social services receiving these funds shall not reduce county funding for eligibility workers.

- **LIHEAP AND CIP ADMINISTRATION**

Funds anticipated are included in each county's estimate.

- **FOOD AND NUTRITION SERVICES ADMINISTRATION**

Food and Nutrition Services claims will be submitted to DOR electronically by EPICS. The Division will continue to refer individuals to the North Carolina Department of Revenue (DOR) when their outstanding IPV and/or IHE claim balance is \$50.00 or more.

State law requires, if a refund is applied against an agency debt that results in an over collection, the over collection plus interest is to be refunded to the debtor. If the total intercepted funds must be refunded, the collection assistance fee must also be included in the refund. The State Controller's Office processes these refunds. All claims, except Agency Error claims, will continue to be included in the Set-Off Debt Collection Program. DOR will provide an update on the interest rate every 6 months.

Treasury Offset Program (TOP)

North Carolina is again participating in TOP in the Food and Nutrition Services Program. During 2008, the Treasury Department will intercept a debtor's federal income tax refund or any other eligible federal payments for IPV, IHE, and AE claims which were certified as delinquent and having a balance of at least \$25.00.

As with the North Carolina Debt Set-Off Tax Intercept Program, counties will retain 35% of all IPV monies intercepted. In addition, counties will be able to retain 20% of all IHE monies collected through TOP. Receipts from TOP can be estimated using the following factors:

1. Amount of claim certified for participation in TOP.
2. USDA/FCS incentive funding of 35% for all IPV claims intercepted and 20% for all IHE claims intercepted.

- **INFORMATION TECHNOLOGY**

State Information Technology Services will be retiring the old IBM SNA network that uses control units and dedicated data lines in counties. Counties that are still using this network for printing the 8590 Food and Nutrition Services form should be preparing to convert to the State Internet Protocol (IP) network. The IP network is also called the Wide Area Network or the North Carolina Integrated Information Highway (NCIIH).

SECTION B

DIVISION OF MEDICAL ASSISTANCE

Will be available by February 15, 2008

SECTION C

DIVISION OF SERVICES FOR THE BLIND

SPECIAL ASSISTANCE FOR THE BLIND

The basic purpose of the Special Assistance for the Blind Program is to supplement available funds to enable a blind person to secure appropriate placement in a domiciliary care facility.

During Fiscal Year 2006 - 2007, 107 consumers received services at an average cost of \$530.00 per consumer per month.

Services are funded by a procedure whereby the State Agency for the Blind bills each county their proportionate share for services provided to clients from the county.

IN-HOME SERVICES PROGRAM – LEVEL I

The purpose of the In-Home Services Program – Level I is to provide assistance in meeting the daily living needs of blind persons who, because of multiple disabilities or other factors, cannot perform these tasks themselves. This program minimizes dependence and prevents institutionalization thereby permitting blind persons to maintain their own home environment.

Services are funded by a procedure whereby the Division of Services for the Blind bills each county their proportionate share for services rendered to clients in that county.

With the average age of the national population increasing and because blindness is a primary disability for this age group, it can be projected that an increase in the number of in-home recipients will occur each year.

PROGRAM STAFF OPERATIONS

This phase of program operations involves the overall mechanism by which services are provided to clients.

Services are delivered to clients by trained Social Workers for the Blind. The Social Worker's salary and travel allocations from a county are proportionate to the amount of time spent in that county serving clients.

Services are funded by a procedure whereby the Division of Services for the Blind bills each county their proportionate share for services rendered to clients in that county.

SECTION D

DIVISION OF CHILD DEVELOPMENT

The estimates in the package are based on the current allocation formula described in Special Provision language. The subsidy allocation estimates are based on funds expected to be available and do not include any projections about federal funds that may carry forward.

- **SUBSIDY PLANNING FOR STATE FISCAL YEAR 2008-2009**

County staff are required to develop a business plan for providing services and monitoring their spending of child care subsidy funds to fully maximize the agency's allocation. Also, if a county receives an allocation of Smart Start subsidy funds, the county staff must ensure the funds are spent by the end of the year. This will assure that Smart Start subsidy expenditures needed for state match and Maintenance of Effort (MOE) are available. It will also help the agency avoid having large amounts of unspent Smart Start funds at the end of the year which may result in the reversion of funds for the county and a penalty for the local Smart Start partnership.

Strategies for Consideration

The following factors should be considered when planning for the state fiscal year:

- consider the county's existing resources;
- utilize corporate queries in Business Objects XI (Subsidy Data Warehouse) to make projections and maintain expenditures within the county's allocation;
- identify other funds available such as Smart Start, Temporary Assistance for Needy Families (TANF), Title IV-E, services support, other county funds, etc. that can be utilized for child care expenditures;
- review cases quarterly to identify families that are no longer eligible to receive assistance;
- assess past spending patterns for expenditures that may vary from month to month such as Child Protective Services (CPS), foster care, rate changes for increases in star license level, etc.;
- establish specific criteria with Child Protective Services (CPS) and Work First Employment Services (WFES) staff regarding the referral of families for child care;
- consider paying for part-time care instead of full-time care to support an activity that is less than 32 hours per week;
- consider defining gainful employment in local policies;
- identify the funding source(s) to meet the local match requirement if a reallocation is requested beyond the county's initial allocation;
- identify other resources available in the community to serve families who need child care subsidy services;
- develop on-going communication with community partners to identify unmet needs in the community such as increasing the number of affordable infant/toddler slots;
- conduct outreach activities to serve eligible families as funding allows, and
- identify More at Four or Head Start slots available to which families may be referred.

New recurring state funds were allocated at the start of the 2007-2008 State Fiscal Year to address the increase in market rates and the waiting list. These funds are included in the 2008-2009 budget estimates.

Strategies for Limited Subsidy Funding

When funding is not sufficient to serve all eligible families, counties are required to develop waiting lists of eligible families waiting to receive services. Waiting list policies to prioritize the receipt of services and explain how services will be handled when funding is not available are established. Counties are encouraged to identify community resources to supplement subsidy

services. Also, it is critical that county staff make the local Smart Start partnership aware of the county's funding estimate and the possible impact on families in the community. Local Smart Start partnerships are developing plans for the 2008-2009 State Fiscal Year and this estimate should be considered when making decisions about the use of Smart Start funds for subsidy services. It is also important that local partnerships understand that local agencies cannot take on large amounts of Smart Start funds at the end of the state fiscal year. Retroactive recoding of subsidy payment in the Subsidy Reimbursement System from fund source 25 (Division of Child Development allocated funds) to fund source 15 (Smart Start funds) is not allowed unless the changes are made to correct errors.

Reversion/Reallocation of Funds

It is not anticipated that a reversion/reallocation will be scheduled during 2008-09 unless spending is at a level that requires this step. If a county spends its total allocation before the end of the state fiscal year, funds from the next fiscal year may not be used to cover the deficit. If subsidy funds are available for a reallocation, counties may be required to provide a local match based on current legislation. Sources for local matches include county or local government funding, TANF MOE funding spent within the current State Fiscal Year, state Smart Start funding provided by the local partnership that exceed the 30% requirement and private donations or grant funding.

- **CHILD CARE SERVICES FUNDING**

The child care subsidy allocation includes TANF funds, the Child Care and Development Fund (CCDF), Social Services Block Grant (SSBG) and state funds appropriated by the North Carolina General Assembly. The primary factors regarding the funding are described below.

The projected allocations for SFY 2008-2009 are based on the amount of child care subsidy funds in the Division of Child Development's (DCD) certified state budget for next year and do not include any unspent federal funds that may carry forward from SFY 2007-2008. Average subsidy payments used to calculate need were based on 12 months of expenditures for services provided from December 2006 –November 2007. When final allocation amounts are prepared and more current expenditures data is available, allocation amounts may be revised.

The Division had not received the final CCDF grant award amounts for FY 2008 at the time these estimates were developed. The estimates included with this package were prepared according to the criteria in existing state law. Note that the projected allocations included in this document do not include Smart Start subsidy funds. Counties will receive official notification of the allocation amount via funding authorizations from DCD throughout the year.

CCDF, TANF, SSBG and State Funds

Funding for the child care program primarily comes from the federal Child Care and Development Fund. The majority of the CCDF monies are used to support employment for public assistance recipients, those transitioning off public assistance and other low-income families at risk of going on public assistance. The CCDF monies, which include TANF transfer funds, are combined with the Social Services Block Grant (SSBG), other TANF funds designated for child care and state maintenance of effort and matching funds to make up the allocations to counties.

Smart Start

Many counties also receive Smart Start funds for subsidy services. Current legislation requires that not less than 30% of Smart Start expenditures for direct services shall be used to expand subsidies. In addition to child care subsidies provided through the county department of social services, the 30% requirement may be met through special scholarship programs, Head Start, More at Four Pre-Kindergarten programs, public school programs, child day care transportation services, enhanced rates for quality care and services support.

Decisions about the allocation of Smart Start funds for subsidy activities are made by the local Smart Start partnership. Eligibility criteria for Smart Start subsidy funds are established by each local partnership and included in its Early Childhood Education and Development Plan. In addition, each local partnership and department of social services is encouraged to develop and sign a memorandum of understanding or contract to clarify the use of Smart Start funds for the Subsidy Program. It would be helpful if the MOU includes a provision that allows counties to move unspent funds earmarked for a specific activity to be moved to another subsidy activity. This provision will help ensure all Smart Start funds are spent by the end of the state fiscal year. In order to meet the needs of families for child care subsidies, collaboration with the local Smart Start partnerships is essential in order to maximize the available funds. Layering of funds to most effectively serve families in each county will need to occur since there are limited funds to meet the demand for subsidies.

Funding for Eligible Active Duty Military Families

During the 2007–2008 SFY, the Division allocated a portion of the funds available for subsidy services to support employment for certain military families in select counties. Without this allocation, select counties may not have available funds to serve these families. Services are provided for eligible active duty military families whose income before exclusions exceeds the subsidy income guidelines. The allocation formula approved by the General Assembly excludes families whose total income exceeds 75% of the state median income; therefore, data about these families is not captured in the allocation formula. This funding may continue for the 2008-2009 SFY and if so, will be added to the initial allocation of the select counties.

- **SERVICES SUPPORT FUNDING**

A portion of the county's allocation may be used for services support; i.e., staff for the child care program. The maximum amount available for services support is 4% of the county's total allocation, or \$60,000, whichever amount is greater. The services support funding does not have restrictions on use other than the funding may be used only to support staff working with the child care program. The use of a portion of the county's allocation for services support is an option a county may or may not choose to exercise. A county may choose to use their allocation solely for the purchase of services, or the county may use the allowable (or lesser) amount for services support with the remainder designated for the purchase of services. The Subsidy Services Section in the Division of Child Development must be notified about the amount of the allocation the county will be using for services support. In addition, adjustments for services support funds may be requested on a quarterly basis only. Contact Fay Lewis, Policy Supervisor, in the Subsidy Services Section at (919) 662-4561, extension 7024 regarding the requirements about the services support funds.

As with the portion of the allocation used for purchasing services, the services support expenditures for June are paid for and reimbursed in July; therefore, *each county's allocation covers services and services support provided during the months of June 2008 through May 2009*. In addition, unused funds for services support will be reverted to the state at the end of the

state fiscal year. If counties spend more than their allotted amount for child care services support, the amounts claimed above the allotment will not be reimbursed and will be considered county-funded.

- **SPECIAL NEEDS SET ASIDE**

One of the requirements of the CCDF is that children with special needs be given priority for services along with employed families. North Carolina's approved CCDF plan meets this requirement by designating a portion of the child care subsidy allocations to be used for that population. For SFY 2008-2009, the county must continue to set aside part of their allocation for children with special needs. See the attached chart for the minimum amount required to be set aside for children with special needs. Funds from the special needs set-aside are used to pay for subsidy services for eligible children with a documented special need. In effect, county staff must establish a separate budget for children with special needs. If the set-aside is exhausted, a separate waiting list is established for new families who apply if the county chooses to give them priority. Children with special needs may fall under any of the need criteria for child care services, i.e. to support employment, education/training, protective services, developmental needs or child welfare services. When the special needs set-aside is depleted, children with special needs who are currently being served should be served with funds from the county's regular subsidy allocation, as long as there is no overspending.

**Child Care Set Aside for Children with Special Needs
SFY 2008-2009**

County	Required Set-Aside for Children with Special Needs
Alamance	\$36,126
Alexander	\$9,937
Alleghany	\$213,730
Anson	\$10,665
Ashe	\$131,405
Avery	\$3,093
Beaufort	\$18,697
Bertie	\$11,040
Bladen	\$12,772
Brunswick	\$22,119
Buncombe	\$28,239
Burke	\$23,388
Cabarrus	\$33,754
Caldwell	\$23,158
Camden	\$4,156
Carteret	\$18,808
Caswell	\$7,831
Catawba	\$40,548
Chatham	\$14,594
Cherokee	\$3,223
Chowan	\$7,002
Clay	\$4,399
Cleveland	\$30,391
Columbus	\$22,554
Craven	\$34,944
Cumberland	\$379,052
Currituck	\$5,638
Dare	\$7,559
Davidson	\$47,958
Davie	\$4,199
Duplin	\$17,525
Durham	\$68,277
Edgecombe	\$30,743
Forsyth	\$55,370
Franklin	\$13,841
Gaston	\$66,659
Gates	\$6,029
Graham	\$3,054
Granville	\$13,223

County	Required Set-Aside for Children with Special Needs
Johnston	\$39,364
Jones	\$6,520
Lee	\$166,819
Lenoir	\$25,964
Lincoln	\$18,536
Macon	\$4,675
Madison	\$14,702
Martin	\$31,144
McDowell	\$10,848
Mecklenburg	\$328,155
Mitchell	\$1,022
Montgomery	\$9,207
Moore	\$22,416
Nash	\$31,676
New Hanover	\$189,010
Northampton	\$8,824
Onslow	\$54,028
Orange	\$30,110
Pamlico	\$6,412
Pasquotank	\$14,135
Pender	\$14,792
Perquimans	\$6,545
Person	\$12,117
Pitt	\$203,636
Polk	\$7,033
Randolph	\$37,794
Richmond	\$18,871
Robeson	\$60,528
Rockingham	\$31,360
Rowan	\$36,985
Rutherford	\$20,578
Sampson	\$19,969
Scotland	\$17,598
Stanly	\$19,950
Stokes	\$8,894
Surry	\$20,436
Swain	\$3,752
Transylvania	\$16,609
Tyrrell	\$6,598

**Child Care Set Aside for Children with Special Needs
SFY 2008-2009**

County	Required Set-Aside for Children with Special Needs
Alamance	\$36,126
Alexander	\$9,937
Alleghany	\$5,818
Anson	\$10,665
Ashe	\$7,900
Avery	\$3,093
Beaufort	\$18,697
Bertie	\$11,040
Bladen	\$12,772
Brunswick	\$22,119
Buncombe	\$28,239
Burke	\$23,388
Cabarrus	\$33,754
Caldwell	\$23,158
Camden	\$4,156
Carteret	\$18,808
Caswell	\$7,831
Catawba	\$40,548
Chatham	\$14,594
Cherokee	\$3,223
Chowan	\$7,002
Clay	\$4,399
Cleveland	\$30,391
Columbus	\$22,554
Craven	\$34,944
Cumberland	\$128,004
Currituck	\$5,638
Dare	\$7,559
Davidson	\$47,958
Davie	\$4,199
Duplin	\$17,525
Durham	\$68,277
Edgecombe	\$30,743
Forsyth	\$55,370
Franklin	\$13,841
Gaston	\$66,659
Gates	\$6,029
Graham	\$3,054
Granville	\$13,223
Greene	\$8,386
Guilford	\$133,905
Halifax	\$30,293
Harnett	\$30,538
Haywood	\$2,928
Henderson	\$23,317

County	Required Set-Aside for Children with Special Needs
Johnston	\$39,364
Jones	\$6,520
Lee	\$19,371
Lenoir	\$25,964
Lincoln	\$18,536
Macon	\$4,675
Madison	\$14,702
Martin	\$11,800
McDowell	\$10,848
Mecklenburg	\$215,872
Mitchell	\$1,022
Montgomery	\$9,207
Moore	\$22,416
Nash	\$31,676
New Hanover	\$42,396
Northampton	\$8,824
Onslow	\$54,028
Orange	\$30,110
Pamlico	\$6,412
Pasquotank	\$14,135
Pender	\$14,792
Perquimans	\$6,545
Person	\$12,117
Pitt	\$45,230
Polk	\$7,033
Randolph	\$37,794
Richmond	\$18,871
Robeson	\$60,528
Rockingham	\$31,360
Rowan	\$36,985
Rutherford	\$20,578
Sampson	\$19,969
Scotland	\$17,598
Stanly	\$19,950
Stokes	\$8,894
Surry	\$20,436
Swain	\$3,752
Transylvania	\$16,609
Tyrrell	\$6,598
Union	\$30,780
Vance	\$17,918
Wake	\$159,613
Warren	\$11,427
Washington	\$6,990
Watauga	\$10,592

Hertford	\$11,516
Hoke	\$11,644
Hyde	\$8,389
Iredell	\$34,039
Jackson	\$2,140

Wayne	\$41,827
Wilkes	\$19,805
Wilson	\$30,976
Yadkin	\$10,192
Yancey	\$3,940
DSS Totals	\$2,537,907

SECTION E

DIVISION OF AGING AND ADULT SERVICES

- **STATE IN-HOME SERVICES FUND**

State In-Home Services Funds are authorized by the General Assembly for county departments of social services to provide In-Home Aide Services, Adult Day Care, Housing and Home Improvement Services, and Preparation and Delivery of Meals. The expenditure rates are 87.5% federal and 12.5% county financial participation. Effective September 1, 2003 the Adult Services Section, formerly of the Division of Social Services, merged with the Division of Aging. All program management functions are now carried out through the Division of Aging and Adult Services.

The amount of federal funding available is \$2,101,113. Counties have historically expended all available resources. County allocations will reflect year-to-date expenditures as of May services reimbursed in June..

- **STATE ADULT DAY CARE FUND**

The State Adult Day Care Fund (SADCF) is authorized by the General Assembly for county departments of social services to purchase Adult Day Care and Adult Day Health Care services. The expenditure rates are 87.5% federal/state and 12.5% county financial participation.

The total amount of federal and state funds for the purchase of adult day services and transportation for is \$3,972,732. As a result of the September, 2003 merger of the Adult Services Section with the Division of Aging, all program management functions are now carried out through the Division of Aging and Adult Services.

Allocations to counties will follow these-principles:

- 1) During December and March of each year the Division of Aging and Adult Services will review actual expenditures and possibly reallocate funds from counties that are under spending State Adult Day Care Funds. Over-spending DSSs receiving reallocated funds cannot be assured of receiving the total increased level of funding during the coming year due to the fact that new centers may be certified in counties not previously funded. It is the practice of the Division of Aging and Adult Services to fund counties where adult day services are new, to the extent possible.
- 2) Funding to counties will largely reflect expenditures in the prior state fiscal year.

- **STATE/COUNTY SPECIAL ASSISTANCE FOR ADULTS (SA) PROGRAM**

A total of \$151,818,466 (\$75,909,233 in State funds plus \$75,909,233 county match) is projected for State/County Special Assistance for Adults (SA) for SFY2008-09. The General Assembly increased the maximum SA basic rate effective October 1, 2007. The new rate is \$1,173.

The General Assembly has not increased the maximum facility rate for SA recipients residing in adult care home Special Care Units for Alzheimer's and Related Disorders. The maximum rate for SA recipients living in a Special Care Unit, effective October 1, 2005, is \$1,515. These recipients are identified by Ambulation Capacity Code C. The SA rate for the one remaining original disenfranchised recipient (Ambulation Capacity S) will continue to be \$1,231 per month.

The current estimates are based on SFY2007 spending levels for each county. The SFY2009 amounts were proportionately increased to bring the total budget to \$151,818,466, which is currently the amount projected to be needed to cover costs for SFY2008-2009. This amount is subject to change based on the General Assembly's actual budget for SFY2008-2009 that will be determined during the 2008 Short Session.

- **ADULT CARE HOME CASE MANAGEMENT SERVICES**

Medicaid eligible residents of adult care homes who require extensive or total assistance with feeding, toileting and/or ambulation/locomotion are eligible to receive additional hours of personal care services (beyond the basic hours of personal care provided to all Medicaid residents) as well as Adult Care Home Case Management Services. County DSS agencies and Local Management Entities (LME) provide this service to eligible residents. Allocations from this fund are based on each county department of social services' portion of the prior fiscal year expenditures.

Under Medicaid regulations, Adult Care Home Case Management Services are identified as administrative case management. The matching rates are 50% federal (Medicaid); 25% state; and 25% county.

The General Assembly appropriated \$6,156,824 (including county match) for county departments of social services to provide this service. The Budget Estimates are based on the previous SFY reimbursed expenditures for each county. The allocations support an average of 2 hours of case management per client per month.

Reallocations are made in February based on reported county spending through the first two quarters of the current fiscal year.

- **ADULT PROTECTIVE SERVICES – STATE**

These funds are to be used to expand the capacity of county DSSs to provide Adult Protective Services. County DSSs had to submit an application to request these funds, and 53 counties are receiving them. Allocations are 100% state funds. There is no county match required.

The State Adult Protective Services Fund may be used only for the provision of Adult Protective Services. Funds may be used to support newly established social worker position(s) or to expand the time utilized by existing positions. The Fund may support expansion of time utilized by existing positions if the funds (SSBG, Medicaid, county funds, etc) used for positions existing prior to the creation of the State Adult Protective Services Fund are used to pay for additional positions or additional social work time in APS. In such circumstances, the cost of the additional position or time must be equal to the amount of the State Adult Protective Services Fund allocation. APS staff not funded with this state appropriation must continue utilizing SSBG or At Risk Case Management Funds

- **STATE ADULT HOME SPECIALIST FUND**

The General Assembly established the State Adult Home Specialist Fund in SB-10 during the 1999 Session and \$1,400,000 in state funds were identified to support the Fund. The state funds are matched with Medicaid and county funds so that county departments of social services can obtain maximum benefit from the availability of the state funds. In addition to these funds, county departments of social services are expected to continue using SSBG and county funds at FY00 levels for the Adult Home Specialist function.

All departments of social services in counties where adult care homes licensed under General Statute 131D-2 are located receive an allocation from the State Adult Home Specialist Fund. These Budget Estimates are based on the number of GS 131D-2 adult care homes in each county, as a proportion of the total number of these homes statewide, as of August 1st of each year. . Actual fiscal year allocations are based on the number of GS 131D-2 homes in each county at the time the budget figures are prepared.

The purpose of the State Adult Home Specialist Fund is to increase the time and effort by county departments of social services to monitor adult care homes. The Division has recommended a county DSS staff ratio of 1 FTE Adult Home Specialist per 12 adult care homes. The NC Association of County Directors of Social Services has endorsed this staffing standard. The current level of funding supports a ratio of 1 FTE Adult Home Specialist to 14 adult care homes.

- **STATE/COUNTY SPECIAL ASSISTANCE ADMINISTRATION**

The cost of administering this program is funded through 100% county funds, with the exception of funds needed for the Native American populations, which will be provided with state dollars. Each county's estimate is based on FY2007 final spending, increased by a 2.5% annual inflation figure.

SECTION F

DIVISION OF PUBLIC HEALTH

- **ADOLESCENT PARENTING PROGRAM**

The Adolescent Parenting Program (APP) is designed to delay a teenage mother's second pregnancy, keep her in school, and reduce the risk of abuse and neglect through use of a volunteer mentor and peer group education. Eligible providers include private not-for-profit agencies and other public agencies in addition to county departments of social services. The funding formula includes the use of Medicaid monies per an agreement with the Division of Medical Assistance. The funding formula is as follows: Medicaid Eligible Youth - 28% Medicaid, 54.75% State, 17.25% local; Non-Medicaid Eligible Youth - 50% State, 50% Local. The maximum annual amount of reimbursement of State funds is \$31,746. In order for each program to determine their annual budget for the year, they must estimate the percentage of Medicaid eligible youth who will be served within the fiscal year. Only those activities classified as “offering and arranging for family planning services” can be Medicaid allowable costs for APP. Offering and arranging for family planning services is defined as disseminating written and oral information; providing for individual and/or group discussions about all methods of family planning, including abstinence; and assisting with scheduling of visits to a medical family planning provider.

In SFY08, additional TANF funds were available for the Adolescent Parenting Program. These were one-time monies, and it is not anticipated that additional TANF funds will be available for this program in SFY09.